

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6233

BILL NUMBER: HB 1131

NOTE PREPARED: Feb 1, 2010

BILL AMENDED: Feb 1, 2010

SUBJECT: Smoking Ban in Public Places.

FIRST AUTHOR: Rep. Brown C

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Smoking Prohibition:* The bill prohibits smoking in: (1) public places; (2) enclosed areas of a place of employment; and (3) certain state vehicles. It provides exceptions for certain businesses.

Indiana Alcohol and Tobacco Commission: The bill requires the Alcohol and Tobacco Commission to enforce the prohibition.

Signage: It requires signs to be posted at the public entrance of public places and businesses to provide notice that the facility either allows or does not allow smoking.

Infractions: It makes it a Class B infraction to violate the smoking prohibition and a Class A infraction if the person has three unrelated prior offenses.

Governmental Units: It allows certain governmental units to adopt smoking ordinances.

Repeal: It repeals the current Clean Indoor Air Law that prohibits smoking in public buildings.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Summary-* The bill will increase costs for the Indiana Alcohol and Tobacco Commission (ATC) to enforce the smoking ban. The increased costs will vary depending on how ATC implements its enforcement responsibility. Also, revenues for the state General Fund could increase through infraction judgements for two Class B infractions (or Class A infractions under certain

circumstances) established under the bill.

Indiana Alcohol and Tobacco Commission: Under current law, the Clean Indoor Air Law is under the sections of the Indiana Code concerning the State Department of Health (ISDH). Enforcement of the statute is not assigned, meaning that it is enforced by law enforcement officers. Under the bill, the ATC would have enforcement responsibility. The bill prohibits smoking in most public places.

The ATC currently has authority for enforcing the "sale of cigarette" provisions in the public places that would be part of the smoking ban in the bill. In addition, the ATC would have responsibility to enforce the smoking ban in places that the ATC does not currently monitor. As a result, the ATC will need to increase staffing to address this new responsibility. However, there are no data available to estimate the number of public places where enforcement will occur. The ATC could enforce the new smoking ban with its own enforcement agents or delegate enforcement to other local agencies. (Under IC 34-28-5, all law enforcement officers have authority to enforce infractions.) Also, the ATC could actively enforce the smoking ban or choose to only investigate complaints received. These management decisions will determine the additional staffing requirements.

Background on the ATC- The appropriation for the ATC in FY 2010 is \$11.0 M. The ATC is funded with dedicated funds from tobacco and alcohol excise taxes. As of October 5, 2009, there were 97 employees with total salaries of \$4.7 M assigned to the Excise Police Enforcement Section (EPES) of the ATC. The average annual salary of employees of the EPES is \$49,135, and average salaries range from \$22,386 to \$78,000.

Explanation of State Revenues: *Infractions:* There are no data available to indicate how many offenders may be found guilty of prohibited smoking, a Class B infraction, or how many owners, managers, or operators of public places or places of employment may fail to comply with the provisions of the act, a Class B infraction. Both of these offenses may be enhanced to a Class A infraction if the offender has three prior, unrelated convictions. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class B infraction is \$1,000, and the maximum judgment for a Class A infraction is \$10,000. Judgments are deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Infractions:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected: ATC.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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